

SECRETSAPC 12955
COPY 1 OF 1

1 February 1957

CMCC Doc. No. 151X5.415

Copy 1 of 2

Page 1 of 2

Dear George:

The Communications Division forecasts of rates for Overhead and General and Administrative Expense for the calendar year 1957 are as follows:

		<u>R & D</u>	<u>Pilot Line</u>
25X1	Overhead	<div style="border: 1px solid black; width: 150px; height: 50px;"></div>	
	G & A		

25X1 The G & A rate consists of Division Administrative expense of applied to the total of Direct Labor, Overhead and Other Direct costs and Corporation General & Administrative Expense of applied to the total Cost of Sales including Division Administrative Expense.

Forecasts by quarters indicate generally declining overhead rates for both the R & D and Pilot Line Organizations, and for G & A Expense during the year. For this reason, we have requested provisional billing rates for the first quarter that are higher than the anticipated rates for the entire year to provide recovery of costs closer to actual during the beginning of the year. It is planned to adjust the rates quarterly or as circumstances dictate to maintain billings consistent with actual experience.

The Resident Air Force Contracting Officer has approved provisional billing rates for the Communications Division for the first quarter of 1957 as follows:

		<u>R & D</u>	<u>Pilot Line</u>
25X1	Overhead	<div style="border: 1px solid black; width: 150px; height: 50px;"></div>	
	G & A		

25X1 The G & A rate consists of Division Administrative expense of applied to the total of Direct Labor, Overhead and Other Direct costs and Corporation General & Administrative Expense of applied to the total Cost of Sales including Division Administrative Expense.

25X1

SECRET

This document contains information affecting the national defense of the United States within the meaning of the Espionage Laws, Title 18 U.S.C., Sections 793 and 794. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

SECRET

CMCC Doc. No. 151X5.415

Copy 1 of 2

Page 2 of 2

25X1

25X1

. Another presentation is being planned prior to the close of January business to review the methods in greater detail. These persons have indicated their provisional approvals subject to later review and audit findings.

A copy of the letter containing the Air Force Contracting Officer's approval is attached. The Communications Division will commence using these rates with the first vouchers submitted for costs incurred in 1957.

Sincerely,



Bob

Enclosure:

Letter dated 1-7-57
Request for 1957 Interim
Overhead Billing Rates

SECRET

Page Denied

Next 1 Page(s) In Document Denied